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SUBJECT: TRINIDAD GASBAG - ENERGY SECTOR NEWS (#1-07)

Following are recent developments in Trinidad's energy sector, as gleaned from Embassy sources and local media. In this edition, we report on the following:

- [1](#)1. LNG production down 25%
- [1](#)2. GE opens LNG service center
- [1](#)3. "T&T Gas to Barbados by 2009"
- [1](#)4. BG/Chevron sign gas supply deal with NGC
- [1](#)5. BG confirms small gas find
- [1](#)6. Petrotrin profits down
- [1](#)7. Petrotrin offshore platforms shut down
- [1](#)8. TOFCO labor woes

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LNG PRODUCTION DOWN 25%  
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[1](#)1. T&T's production of liquefied natural gas (LNG) decreased to 600 million metric cubic feet per day (MMCFD) from 800 MMCFD in mid-May because of a faulty heat exchanger in Atlantic LNG's Train IV. Local press reported on May 24 that the company had been awaiting parts for two weeks. T&T is the largest supplier of LNG to the U.S. The GOTT owns 11% of Train IV through the National Gas Company; the other Train IV shareholders are British Petroleum, British Gas and Repsol.

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GE OPENS LNG SERVICE CENTER  
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[1](#)2. General Electric Oil & Gas officially opened a US\$400 million service center at the Atlantic LNG plant at Point Fortin, Trinidad, on May 9 in a ceremony attended by GOTT acting Energy Minister Christine Sahadeo and General Electric corporate vice chairman John [1](#)G. Rice. The center will provide specialized repairs to 21 GE-manufactured turbines at ALNG on a 17-year contract that is intended to minimize downtime. Rice's visit also sought to raise GE's profile in Trinidad & Tobago as the country proceeds with an aggressive gas-based industrialization program.

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"T&T GAS TO BARBADOS BY 2009"  
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[1](#)3. Trevor Boopsingh, chairman of the Eastern Caribbean Gas Pipeline Company (ECGPC) predicted that Barbados will receive natural gas from Trinidad & Tobago by 2009, after the Government of Barbados approved the project on April 26. The US\$550 million, 176-mile pipeline from Cove Point, Tobago to Barbados should transport about 40 million cubic feet of gas per day, benefiting 13,000 households in the first five years of the project. Having received a letter

from Barbados Minister of Energy Elizabeth Thompson, Boopsingh said he would now seek approvals from authorities in Martinique, Guadeloupe, and St. Lucia. He also voiced confidence that commercial negotiations with all prospective customers would proceed smoothly in view of recent high fuel prices.

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BG/CHEVRON SIGN GAS SUPPLY DEAL WITH NGC  
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¶4. BG Trinidad and Tobago and Chevron Trinidad and Tobago Resources signed a US\$2 billion agreement with the GOTT's National Gas Company on May 28 in Port of Spain for the sale of 220 million metric standard cubic feet per day (MMSCFD) of natural gas. The supply of the gas will start from January 1, 2009 and should run for 15 years, ultimately commercializing up to 1.2 trillion cubic feet (TCF) of gas from the Dolphin field off Trinidad's east coast. The project will involve drilling and completion of four new wells along with topside modifications on the Dolphin Platform, according to BG North America Caribbean executive vice president Martin Huston.

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BG CONFIRMS SMALL GAS FIND  
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¶5. British Gas confirmed reports that the company discovered a small amount of gas in Moruga in the on-shore central block, in a well drilled earlier in 2007. BG executives offered no figures as to the size of the find but stressed that development in the central block was proceeding as usual. Local press cited an anonymous energy sector source as saying that "It's a good size find for that area. It's not massive. The first field found was half a trillion cubic feet. I suspect this one was slightly smaller."

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PETROTRIN PROFITS DOWN  
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¶6. In financial results published May 24, Petrotrin reported revenues reached an all time high of TT\$25.8 billion (US\$4.1 billion) in 2006, an increase of 27.5 per cent compared to 2005. Nevertheless, the state-owned company's TT\$1.3 billion (US\$206 million) net profit was 18% lower than in 2005, a decrease ascribed to a 35% higher GOTT take, higher cost of sales, a hike in operating costs and disruption in operations due to work stoppages. Petrotrin's financial report made no reference to the effects of competition from Venezuela's PetroCaribe initiative, which is enticing many of Petrotrin's traditional regional customers to buy refined products from Venezuela's PdVSA instead.

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PETROTRIN OFFSHORE PLATFORMS SHUT DOWN  
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¶7. State-owned oil company Petrotrin shut down seven offshore platforms operated by its Trinmar subsidiary, according to May 26 press reports. The move came in the wake of an explosion on one of the platforms earlier that week, in which a worker was killed and two others were injured. Petrotrin, the parent company of Trinmar, said the shutdown was to assess the integrity of the installations on the platforms, which are in the Soldado field off Point Fortin in the Gulf of Paria. A Petrotrin spokesperson said the shortfall from the wells on the platforms would be compensated by an increase in land production.

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TOFCO LABOR WOES  
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¶8. Trinidad Offshore Fabricating Company (TOFCO) workers went on strike May 16 seeking higher wages and better working conditions. The company, which is situated in La Brea in southwestern Trinidad, is involved in the construction of offshore oil rigs and provides welding services to offshore platforms.

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